

Product Demonstration Program (PDP)

June 21, 2022

About Alberta Innovates

Innovation is the catalyst for sustainable jobs, economic and community strength, improved health and environmental benefits. [Alberta Innovates](#) leads and accelerates innovation from discovery to use across all sectors in all parts of the province. As Alberta's largest research and innovation agency, we are uniquely positioned to propel great ideas forward to improve the lives of Albertans today and for generations to come.

Alberta Innovates believes the research and innovation (R&I) ecosystem is stronger and more sustainable when it is broadly representative of the overall diversity of our community. We strive to ensure that all interested and qualified parties have an equitable opportunity to participate and contribute to the ecosystem and that our processes are inclusive.

The projects that our programs invest in are critical to how Alberta Innovates achieves positive impact for Albertans in alignment with the Government of Alberta's R&I priorities, as expressed in our corporate Business Plan. (See the most recent Business Plan on our [Publications](#) page on our website.) Accordingly, it is essential for project outcomes to align with those of the Program.

The Product Demonstration Program (PDP) is managed through the Entrepreneurial Investments within Alberta Innovates. Entrepreneurial Investments supports innovation across all sectors in Alberta by providing Coaching, Community, and Capital to Alberta businesses commercializing new technology with the goal to grow the province's economy.

Program Overview

The Product Demonstration Program (the "Program") supports Alberta's high potential, high growth, small to medium-sized enterprises ("SME") to commercialize their products and achieve an optimal market position to increase revenue and potentially expand into global markets.

The Program is designed to de-risk the commercialization process by providing funds and coaching to the SME. The SME enters a partnership with a strategic partner to conduct a product pilot or demonstration that proves their product's technical and business merits and serves as a reference client, buyer, or distributor.

The objectives of the Program are to:

- Have applicants build a relationship with a strategic partner to leverage their industry knowledge and distribution channels
- Influence the target market in some capacity
- Validate or demonstrate the applicant's product to a potential customer or market
- Have a first sale or increase sales revenue within 18 months post project
- Potentially expand the applicant's supply or distribution channels
- Increase global competitiveness
- Provide strategic partners access to innovative products to solve operational challenges for themselves or their customers
- Help strategic partners de-risk exposure to new technology
- Expand products in strategic partners distribution channels

The key outcomes (i.e., measurable effects) the program will accomplish for the benefit of Albertans are:

- SME milestone attainment
- Leveraged dollars and resources
- SME and Strategic Partner satisfaction rate
- New jobs created
- SME revenue growth
- SME export growth
- SME Investment growth
- SME survival rate

Funding

The PDP provides support for up to \$150,000.

- Alberta Innovates will match the Applicant's contributions to the total eligible project costs to a maximum Investment of \$150,000. The applicant must match funds in the form of 50 percent cash and 50 percent in-kind.
- Additional consideration will be given to applicants where it is demonstrated that the strategic partner(s) or established valid distributor channels contribute cash or in-kind funding on top of the project matching funding.
- Funding is paid directly to the applicant and disbursed upon receipt and approval of milestone-based reports, over a maximum one-year project term.
- Alberta Innovates encourages co-funding of Projects with other funding agencies but employs a stacking limit to ensure there is sufficient financial commitment from the Applicant. The stacking limit is employed as follows: the maximum level of total government assistance, whether from federal, provincial/territorial, or municipal sources, cannot exceed 75% of the eligible Project costs

Alberta Innovates only funds reasonable costs incurred after an Investment Agreement is signed by Alberta Innovates and the Applicant. Any costs incurred prior to the signing of the Investment Agreement, and costs greater than market prices, are ineligible. Costs must be incurred between arm's-length entities. Please refer to Schedule B in the Investment Agreement posted on the PDP web page [Investment Agreement](#) for detailed information, including eligible and ineligible expenses.

Key Dates

The Applicant may apply at any time, as this Program is a continuous intake.

Eligibility

The support of a [Technology Development Advisor](#) (TDA) is required for the PDP. They provide guidance and coaching and assess the Applicant's PDP readiness. They can recommend suitable alternative Alberta Innovates funding programs and help direct the Applicant to external funding opportunities.

Applicant Eligibility

PDP is open to:

- For-Profit Organizations

In addition, to qualify for funding, the Applicant must:

- Meet the following definition of an SME: a company with fewer than 500 full-time employees and less than \$50,000,000 annual gross revenue;
- Be incorporated in Alberta AND/OR incorporated in another jurisdiction and extra-provincially registered in Alberta;
- Be a General Partnership, Limited Partnership, or Limited Liability Partnership and registered in Alberta.
- Have had no more than one previous PDP

All Applicants must also:

- Exist as a corporate person, with up-to-date corporate filings;
- Be authorized to undertake the proposed Project, and execute a grant with Alberta Innovates on our standard terms;
- Not otherwise be prohibited from receiving Alberta Innovates funding, for instance due to a past bad debt or otherwise not be in good financial standing with Alberta Innovates or its subsidiaries, InnoTech Alberta and C-FER Technologies;
- Have a physical presence in Alberta.

Please note: For Applicants **not** at post-secondary institutions, Alberta Innovates may perform corporate, bankruptcy and litigation searches, and conduct other forms of due diligence on the Applicant company and its principals.

Partner Eligibility

Strategic Partners are required to:

- Exist as a corporate person, with up-to-date corporate filings;
- Be authorized to undertake the proposed project;
- Demonstrate that the relationship between the applicant and strategic partner does not create a conflict of interest;
- Provide a signed Alberta Innovates Strategic Partner Letter of Interest ("LOI") from a senior manager level with their intention to participate in the project at the time of application including:
 - How the product is adopted and evaluated;
 - Intention to work with the Applicant to resolve issues;
 - Intention to purchase the SME product based on success criteria being met;
 - Intention to enter into a distribution agreement of the demonstrated product upon Project completion.
- Have the financial capability to purchase or enter into a distribution agreement of the product upon project completion of a demonstration; and/or
- Show tangible resources committed to the project.
- Not otherwise be prohibited from receiving Alberta Innovates funding, for instance due to a past bad debt or otherwise not be in good financial standing with Alberta Innovates or its subsidiaries, InnoTech Alberta and C-FER Technologies.

Note: For strategic partners, **not** at post-secondary institutions, Alberta Innovates may perform corporate, bankruptcy and litigation searches, and other forms of due diligence.

Project Eligibility

To qualify for funding, all Projects must:

- Align with the objectives of the PDP
- Have technology being developed by the project within Technology Readiness Levels (TRL) 7 to 9
- Be completed within one-year
- Outline the financial contribution required by applicant
- Have the participation of at least one product pilot or demonstration strategic partner(s)
- Comply with other criteria that Alberta Innovates may develop from time to time

How to Apply?

Step 1: Identify Potential Strategic Partner(s)

The Applicant identifies potential strategic partner(s)

All interested applicants must engage with a TDA prior to applying online. TDAs provide coaching, advising, and networking during this application phase.

Step 2: Application

Access and submit application form, including the completed and signed Letter of Interest form, on the [online application portal](#) at any time.

Applications outline:

- The Project
- Participation of the strategic partner
- Commercialization potential
- Project team, resources and budget

Step 3 Project Management

For approved Applications, the applicant will execute an Investment Agreement with Alberta Innovates to proceed with the activities of the Project. Success applicants are expected to actively participate in all project management activities and work with their project advisor.

Project advisors will monitor the progress of the project.

Evaluation Process

All applications are reviewed and evaluated to determine fit with the PDP objectives and intended outcomes. Alberta Innovates' staff and external expert reviewers are engaged to evaluate Applications.

Alberta Innovates evaluates submitted Applications to the PDP based on the technology, the opportunity, the management team, and the overall success and size of the return to Alberta against the program's objectives and key outcomes.

Alberta Innovates retains the sole right to determine the evaluation process and assessment criteria and does not disclose the names of its reviewers to ensure their objectivity and impartiality. Internal and external parties involved in the evaluation are subject to confidentiality and conflict-of-interest policies set by Alberta Innovates.

All investment decisions are at the sole discretion of Alberta Innovates.

Performance Measurement

Alberta Innovates invests in research and innovation activities on behalf of Albertans to help build a healthier, more sustainable and prosperous future for the province.

To maximize the impact of these investments, our funding is tied to achievement of results and outcomes. For this reason, Alberta Innovates funds on a milestone completion basis. This means the Applicant must submit a Progress or Final Report and demonstrate sufficient progress before Alberta Innovates advances the next milestone payment.

The Investment Agreement outlines the responsibilities the Applicant has in reporting Project outcomes to Alberta Innovates over the course of the Project and following completion of the Project. Outcomes of the Project may be monitored for up to five years after Project completion, so Alberta Innovates can evaluate the economic, social, health and/or environmental benefits to Alberta resulting from our investments.

Alberta Innovates has a common set of performance metrics it monitors, both at the individual Project level and for the aggregate Program. These metrics may evolve over time.

Terms and Conditions

Once we have evaluated and approved an application for funding, Alberta Innovates will require the Applicant to sign our standard-form Investment Agreement. A copy of the Investment Agreement is available on the Alberta Innovates [website](#) for your reference.

The Investment Agreement sets out in detail the roles, responsibilities and obligations of the various Parties to ensure a successful Project. Alberta Innovates will not provide any funding until the Investment Agreement has been signed by all Parties.

Alberta Innovates will only fund Applicants who have satisfied all eligibility criteria. Meeting the eligibility criteria does not guarantee access to funding, and all funding decisions will be made by Alberta Innovates at its sole discretion.

Alberta Innovates will only correspond in writing and provide copies of the Application to the person named in the Application form as the one authorized to speak for the Applicant.

Should you have any questions about this guide or what is expected, please contact Alberta Innovates (see contact information below). Please note that Alberta Innovates may modify this guide from time to time in keeping with any changes to the Program.

Contact Information

LORI ADAMS

SENIOR MANAGER INDUSTRY AND GLOBAL PARTNERSHIPS

TEL 403-210-5312

EMAIL LORI.ADAMS@ALBERTAINNOVATES.CA